

ADMINISTRATIVE-INTERNAL USE ONLY

23 January 1972

MEMORANDUM FOR THE RECORD

SUBJECT: Retirement Legislation

1. Called Hilda Schreiber, Legislative Reference Service, Office of Management and Budget, and explained that by the middle of the year we will be facing a major problem in our retirement system because of the inadequacy of the retirement ceiling. I explained that although we had had an increase in the ceiling in 1970, it was proving to be inadequate because of the increased number of retirements brought about by two factors which could not be anticipated in 1970--first, voluntary retirements as a result of several cost-of-living adjustments of annuities and second, the ever-increasing reduction in work force. Miss Schreiber was sympathetic to our position and said she would obtain a copy of the legislative program we had submitted on 17 October 1972 which covers this ceiling problem.
2. She said she was not giving us an OMB clearance to proceed with legislation, but suggested that we might be thinking of suitable vehicles for remedial language in other legislation to be reported out by our congressional committees. I told her we were thinking of doing just that.
3. In connection with the remainder of our retirement legislation, Miss Schreiber was somewhat chagrined that our financing proposal has been held up since 1970, explaining that it was our interpretation of the law as reflected in our draft which lead Treasury to its view that the existing Civil Service and Foreign Service financing legislation be revised. She explained that OMB was still waiting for language from State, but agreed that the issue may not be resolved by the middle of the year. (See Memorandum for the Record dated 7 July 1972, Subj: Conversation with Robert Hull on Retirement Financing.) I reminded Miss Schreiber that the delay in resolving the financing problem was also delaying a number of other important amendments which are based on benefits already being provided by other staff

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retirement systems and our failure to keep pace is creating inequities. I told her we were still proposing these amendments and that we planned shortly to submit a formal legislative proposal for OMB clearance and that we were hoping for early favorable action. STATINTL

Assistant Legislative Counsel

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